

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7378

BILL NUMBER: HB 1555

DATE PREPARED: Jan 9, 2001

BILL AMENDED:

SUBJECT: Various insurance matters.

FISCAL ANALYST: Jim Landers

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Requires a hospital and a physician to ensure compliance with the law prohibiting the collection from an enrollee of a sum owed by a health maintenance organization (HMO). Allows a wage assignment for the purpose of paying a premium on a policy of insurance. Includes a HMO and a limited service HMO within the definition of "insurer" for purposes of the law regulating insurance holding company systems. Requires the insurance commissioner to consider the remediation efforts of a person who has engaged in unfair methods of competition or deceptive acts or practices in the business of insurance when assessing fines and penalties. Provides requirements for cancellation or nonrenewal of residential insurance policies. Requires an insurer to notify a residential policyholder regarding coverage for flood damage. Imposes certain requirements when an accident and sickness insurance policy form is no longer actively marketed. Requires a utilization review agent to, under certain circumstances, supply an insured with certain information at the time an adverse utilization review determination is made. Adds requirements for preauthorization of health care services. Requires an insurer to establish and maintain an internal grievance procedure and an external grievance review procedure. Amends the Indiana HMO law concerning: (1) assumption of a corporate name; (2) reinsurance; (3) rights and responsibilities of domestic, foreign, and alien HMOs; (4) annual and other filings; (5) noncovered health care expenditures; (6) receivership; and (7) voluntary dissolution.

Effective Date: Upon passage; July 1, 2001; January 1, 2002.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: